

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES

February 23, 2021

10:03 a.m.

MEMBERS PRESENT

Representative Louise Stutes, Chair
Representative Geran Tarr
Representative Jonathan Kreiss-Tomkins
Representative Andi Story
Representative Dan Ortiz
Representative Sarah Vance
Representative Kevin McCabe

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 79

"An Act relating to salt water sport fishing operators and salt water sport fishing guides; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 80

"An Act establishing the sport fishing hatchery facilities account; establishing the sport fishing facility surcharge; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 79

SHORT TITLE: SALTWATER SPORTFISHING OPERATORS/GUIDES

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	FSH, FIN
02/23/21	(H)	FSH AT 10:00 AM GRUENBERG 120

BILL: HB 80

SHORT TITLE: SPT FSH HATCHERY FACIL ACCT; SURCHARGE

SPONSOR(s) : RULES BY REQUEST OF THE GOVERNOR

02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	FSH, FIN
02/23/21	(H)	FSH AT 10:00 AM GRUENBERG 120

WITNESS REGISTER

DAVID RUTZ, Director
Division of Sport Fish
Alaska Department of Fish & Game
Anchorage, Alaska

POSITION STATEMENT: Testified during the presentations on HB 79 and HB 80.

TOM TAUBE, Deputy Director
Division of Sport Fish
Alaska Department of Fish & Game
Juneau, Alaska

POSITION STATEMENT: Testified during the presentation on HB 79. and HB 80

RACHEL HANKE, Legislative Liaison
Office of the Commissioner
Alaska Department of Fish & Game
Juneau, Alaska

POSITION STATEMENT: Testified during the presentation on HB 79.

BEN MOHR, Executive Director
Kenai River Sportfishing Association
Soldotna, Alaska

POSITION STATEMENT: Testified in support of HB 79.

FORREST BRADEN, Executive Director
Southeast Alaska Guides Organization
Ketchikan, Alaska

POSITION STATEMENT: Testified in support of HB 79.

MARQUIS BASS
Alaskan Adventures Unlimited
Eagle River, Alaska

POSITION STATEMENT: Testified in opposition to HB 79.

HUNTER KEOGH
Keough's Guide Service
Ninilchik, Alaska

POSITION STATEMENT: Testified in opposition to HB 79.

RAY DEBARDELABEN

Kasilof, Alaska

POSITION STATEMENT: Testified in opposition to HB 79.

MELVIN GROVES, Owner

Alaskan Adventures Unlimited

Valdez, Alaska

POSITION STATEMENT: Testified in opposition to HB 79.

PATRICK BOOKEY, Owner/Operator

Luck of the Irish Charters

Valdez, Alaska.

POSITION STATEMENT: Testified in opposition to HB 79.

KRIS EICHENLAUB

Wasilla, Alaska

POSITION STATEMENT: Testified in opposition to HB 79.

RONI CARMON

Kenai, Alaska

POSITION STATEMENT: Testified during the hearing on HB 79.

ACTION NARRATIVE

[10:03:03 AM](#)

CHAIR LOUISE STUTES called the House Special Committee on Fisheries meeting to order at 10:03 a.m. Representatives Vance, McCabe, Kreiss-Tompkins, Ortiz, and Stutes were present at the call to order. Representatives Tarr and Story arrived as the meeting was in progress.

CHAIR STUTES welcomed the committee and stated that fisheries are Alaska's greatest renewable resources and one of the top revenue generators for the state.

HB 79-SALTWATER SPORTFISHING OPERATORS/GUIDES

[10:04:48 AM](#)

CHAIR STUTES announced that the first order of business would be HOUSE BILL NO. 79 "An Act relating to salt water sport fishing operators and salt water sport fishing guides; and providing for an effective date."

[10:05:35 AM](#)

DAVID RUTZ, Director, Division of Sport Fish, Alaska Department of Fish & Game, testified in support of HB 79. He welcomed the committee members to contact him with any questions at any time. He explained that HB 79 had been introduced to the committee during the 31st Alaska State Legislature; however, due to the COVID-19 pandemic, it was not acted upon. He explained that the bill would reinstate the saltwater licensing and reporting requirements without a sunset. He clarified that the bill does not reinstate the freshwater licensing or reporting requirements, which Alaska Department of Fish & Game (ADF&G) does not perceive a need for the freshwater licensing and reporting. He added that there has been some contention with that. He gave background stating that during the Twenty-Third Alaska State Legislature sportfish guide and operator licenses were enacted, took effect in 2005, and remained in effect until December 31, 2014, upon its sunset; in the Twenty-Ninth Alaska State Legislature, only the saltwater licensing and reporting requirements were reinstated and included a sunset of 2018. He stated that it was at the discretion of the legislature that the freshwater [component] had been removed. He explained that the fees and data collected through the program provide management of marine charter fisheries, which support 25,000 angler days of effort and [millions of dollars] to the state economy. He offered to follow up with the committee with an estimated amount of economic impact to the economy.

10:08:22 AM

MR. RUTZ stated that data collected via logbooks in saltwater sportfish businesses and guides since 1998 are critical to upholding the obligations under the Pacific Salmon Treaty between the U.S. and Canada; and, through the International Pacific Halibut Commission, contribute to critical allocation decisions. He further depicted the data collected as critical to the North Pacific Fishery Management Council management of federal fisheries, and it eliminates duplicative and unduly burdensome data collection requirements for the charter fishing industry. He listed areas of benefit from logbook data including state fishery monitoring and management, advisory announcements and emergency orders, the Alaska Board of Fish process, advisory committees, external communications, statewide harvest survey verification, fisheries disaster declarations, the Federal Subsistence Board process, land use planning and permitting, and operational planning. Further, it provides an exemption to the National Oceanic and Atmospheric Administration (NOAA) saltwater registry. He directed the committee to a

summary provided in the committee packet entitled "SPORT FISHING BUSINESS AND GUIDE LOGBOOK USE SUMMARY." He stated that the department supports the passage of the bill and claims it necessary to fund and manage saltwater charter fisheries.

[10:10:37 AM](#)

REPRESENTATIVE ORTIZ asked whether, other than the exclusion of freshwater [component], there were any differences between HB 79 and how it had been presented in the previous legislature.

MR. RUTZ indicated that Mr. Taub would answer Representative Ortiz' question.

[10:12:00 AM](#)

TOM TAUBE, Deputy Director, Division of Sport Fish, Alaska Department of Fish & Game answered Representative Ortiz' question by affirming that the only difference between the proposed legislation and previous proposed or enacted legislation was the removal of the freshwater [component].

REPRESENTATIVE ORTIZ asked with what degree of certainty of [industry] compliance with the provisions of the bill would exist should the bill pass.

MR. RUTZ stated that, while there always exists a certain amount of noncompliance, and as with all program compliance, the department assumes 90 percent or more compliance among [industry]. He complimented industry members' level of voluntary compliance with all regulations.

[10:14:27 AM](#)

MR. TAUBE added that there are tips from industry members when noncompliance is observed and added that the Alaska State Troopers perform enforcement of regulations on the industry. He also added that licensure included clearly visible decals affixed to charter vessels.

[10:15:25 AM](#)

REPRESENTATIVE ORTIZ asked how the department monitors the data collection for compliance to the requirements of [previous legislation and] HB 79.

[10:16:16 AM](#)

MR. RUTZ noted that Southeast charter operators are required to participate in electronic reporting, and it is anticipated that over the next several years Southcentral will participate. He added that there exists kreel surveys at several locations, with the caveat that a fully electronic system would be required for accurate reporting.

[10:17:31 AM](#)

MR. TAUBE added that both paper and electronic logs must be submitted within the week following [charter] trips.

[10:18:01 AM](#)

REPRESENTATIVE MCCABE asked what the logbooks physically look like and remarked that he had observed no position control numbers (PCNs) listed in relationship to the logs at the department.

MR. RUTZ offered to provide physical logbooks to the committee, adding that they are 14" x 12" and contain 40 to 50 pages.

REPRESENTATIVE MCCABE asked whether the proposed legislation pertains only to boat-based, saltwater charters and would exclude guides such as water taxis. He asked what entity provides enforcement.

MR. RUTZ answered that the regulation applies to any saltwater charter operators.

[10:20:09 AM](#)

MR. TAUBE confirmed that all saltwater sportfishing guides are required to maintain licenses and complete the logbooks. He added that, unlike in the case of hunting guides, there is no requirement for saltwater charters to maintain an "outfitter" designation.

[10:20:46 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked what technology or equipment would be required for operators to participate in the eLogbook system.

MR. TAUBE explained that there is an "app" that operators can download onto any mobile device, including a laptop.

REPRESENTATIVE KREISS-TOMKINS asked whether the division intended to deploy the eLogbook system to other areas in addition to Southeast, and whether there were cost efficiencies associated with transition to an electronic system and by how much.

MR. TAUBE answered that, while cost savings for data entry may be realized, there are cost increases in information technology (IT) and so no cost savings is anticipated to occur. He added that there were other benefits to the electronic system, including more convenience for the operators to complete the logs [as compared to the paper system].

[10:23:35 AM](#)

MR. RUTZ added that operators in Southeast will be issued paper and electronic options for submitting the required information to provide redundancy while operators learn the new electronic system. He added that operators will be required to eventually use the electronic system and that it could temporarily duplicate efforts by the operators while the electronic system is learned.

[10:24:34 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked when the division intended to scale the eLogbook system statewide.

MR. RUTZ answered that the division intends to migrate to a fully electronic system statewide, with Southeast serving as a first year [pilot program]. He added that the ease of use for operators is anticipated to gain acceptance and would result in a larger, phased, statewide rollout. He added that the electronic system is currently available but not required statewide.

REPRESENTATIVE KREISS-TOMKINS stated his disappointment that cost savings realized by reduction of data entry were offset by increased costs in IT. He asked the division to provide the committee with additional analysis beyond the first year of implementation to determine whether cost savings would occur after the first or subsequent years.

[10:26:57 AM](#)

CHAIR STUTES requested the division provide additional financial analysis to the committee through her office.

10:27:03 AM

REPRESENTATIVE TARR asked whether the operators remain in support of the changes to the system, as they had appeared to be [when the legislation was introduced to the Thirty-First Alaska State Legislature]. She acknowledged that there was scheduled public testimony.

10:27:31 AM

MR. RUTZ opined that most of the operators support the proposed legislation; however, he added that increased costs for operators usually results in some lack of support. He speculated that some operators would oppose the proposed changes.

REPRESENTATIVE TARR echoed the concerns regarding the lack of cost savings as raised by Representative Kreiss-Thompkins and encouraged the division to take that into consideration when conducting future cost analysis as requested by the committee.

10:28:43 AM

REPRESENTATIVE MCCABE stated his understanding that there exists a backlog of data entry for freshwater logbook data and asked how the anticipated new data would be handled considering the backlog. He also related that he has learned of frustration with the eLogbook technology not working when operators are out of [cellular] data [service] range.

10:29:36 AM

MR. TAUBE answered that freshwater data is current through the calendar year 2014 and that data ceased to be required early in 2019. He added that staff shortages and turnover have contributed to the backlog, and that useful data is available to interested parties, but it is not yet formally published. He explained that eLogbook data allows for up to a week to meet reporting requirements; the app functions to collect data regardless of [cellular] data [service] coverage areas, and that reports are uploaded when the operator returns to a coverage area.

10:31:40 AM

REPRESENTATIVE VANCE asked as a matter of public interest what the \$200 and \$400 fees would be used for.

MR. TAUBE answered that the fee covers the saltwater registration and logbook program. Since its inception in 2005, the program has required \$100 and \$200 fees, which has resulted in a shortfall to cover program costs, and HB 79 proposes to remedy that shortfall.

REPRESENTATIVE VANCE expressed concern on behalf of constituents in Southcentral that Alaska state parks fees for operators had recently increased to \$1,100, and she asked for additional information and whether an exemption might be provided for operators required to pay the parks registration fees.

MR. TAUBE expressed his understanding that the parks fee should only apply to freshwater operators and saltwater operators should not be required to pay fees such as the Kenai concessionaire's fee.

[10:35:02 AM](#)

REPRESENTATIVE VANCE read from a constituent's concern submitted to her office as follows:

"I own a sportfishing business which primarily operates on the Kenai and Kasilof Rivers. When guests contact us and want to book a halibut charter, we use several commercial saltwater operators between Deep Creek, Homer, and Seward. We book and contract these trips for our guests - they only have to deal with one business. Does this now negate us from selling this type of charter if we ourselves are not the operator for our guests? Do we pay an additional fee in order to sell this type of trip?"

REPRESENTATIVE VANCE asked for a definition of "operator" and "guide."

MR. RUTZ answered that, using the example from the constituent, the freshwater guide would be a booking agent and would not be providing sportfishing guide services if the guide is contracting those trips [on behalf of his/her guests] and would not be aiding in the actual harvesting and therefore would not be required to be licensed. He added that the business that

provides the saltwater charter services would be required to be licensed.

[10:36:41 AM](#)

REPRESENTATIVE VANCE rephrased her question to ask whether a freshwater operator that conducts freshwater chartered fishing activities and partners with a saltwater charter operator [to provide saltwater charter services to a mutual client] would be required to have a saltwater sportfishing operator license in order to fulfill this requirement.

MR. RUTZ stated that if a charter operator is operating only in freshwater, it would not be required to obtain a saltwater sportfishing operator license.

[10:37:58 AM](#)

REPRESENTATIVE MCCABE referred to page 2, line 25 of the bill which contains the term "shellfish". He asked what species of shellfish are sport caught and why it was necessary to include shellfish in the bill.

[10:38:28 AM](#)

RACHEL HANKE, Legislative Liaison, Office of the Commissioner, Alaska Department of Fish & Game, answered that shellfish is included in HB 79 because shellfish are included in many statutes throughout Title 16 as one of many types of fish harvested through commercial and personal use fishing.

REPRESENTATIVE MCCABE added to his question his understanding that no shellfish are harvested through sport fisheries, only through subsistence fishing such as clams or king crab.

[10:39:42 AM](#)

REPRESENTATIVE ORTIZ expressed his understanding that charter fishers in Southeast will occasionally harvest shellfish within catch limits and suggested this rationale for inclusion of shellfish in the proposed bill.

[10:40:15 AM](#)

CHAIR STUTES suggested that shellfish is included as conforming language and asked Ms. Hanke to confirm.

[10:40:23 AM](#)

MS. HANKE expressed her understanding as the same as Chair Stutes' and that Representative Ortiz's understanding that sportfish charters do occasionally harvest shellfish was correct.

CHAIR STUTES asked for Ms. Hanke to proceed with the sectional analysis.

[10:41:00 AM](#)

MS. HANKE referred to the sectional analysis of HB 79 provided in the committee packet, which read as follows [original punctuation provided]:

Sectional Analysis

HB 79: Salt Water Guide Licensing (version A)

Section 1

Establishes license fees for saltwater guides and operators.

☐ Guide license - \$200

☐ Operator license - \$400

☐ Operator and guide combined license - \$400

Section 2

Adds new Article to AS 16.40 that

☐ AS 16.40.262 - provides stipulations for the salt water operator license and defines the license type;

☐ AS 16.40.272 - provides stipulations for the salt water guides and combined license and defines both license types;

☐ AS 16.40.282 - establishes reporting requirements for salt water guides and operators;

☐ AS 16.40.292 - establishes penalties for violations the chapter; and

☐ AS 16.40.301 - defines "salt water sport fishing guide" and "salt water sport fishing guide services".

Section 3

Adds salt water sportfishing operator and guide license to AS 25.27.244(s)(2) which defines "license".

Section 4

Effective date of January 1, 2022.

[10:43:25 AM](#)

REPRESENTATIVE KREISS-TOMKINS recalled that legislation introduced but not passed during the Thirty-First Alaska State Legislature had contained language that included freshwater charter operators, and that the current proposed legislation did not. He asked why the substantive change was made to not include data collection from freshwater operators between the previous proposed legislation and HB 79.

MR. RUTZ explained that sport charter operators, in Kenai in particular, had expressed the requirements as overreach and that none of the freshwater fishery data is pertinent to international treaties and federally managed fisheries, nor was the data that would have been collected to be used for in-season management decisions. He cited those as reasons that freshwater charter operators were excluded in the current proposed legislation.

[10:46:05 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked why the eLogbook system had been implemented despite the data not being used for in-season management and why it was determined to not have value.

MR. RUTZ state his belief that the data collected was useful; however, the angst expressed on the part of operators led to the decision to exclude it. He postulated that, since the data collected [for freshwater charter operators] did have value to the management process, the decision to seek the data from the operators could happen again in the future.

[10:47:50 AM](#)

CHAIR STUTES asked for an explanation of the difference in reporting requirements between freshwater and saltwater [charter operators].

MR. TAUBE explained that, when both freshwater and saltwater reporting was required, the requirements were the same for both: log data was due within the week following the trip. He explained that neither data source had been used for in-season management. He explained that logbook data was used post-season to achieve escapement as compared with harvest targets. He added that data submitted to managers is useful but not "clean" to provide in-season management guidance.

CHAIR STUTES expressed her confusion regarding the usefulness of data collected, since it was the same for freshwater and saltwater fisheries, and she rhetorically asked why one was more valuable than the other.

10:50:15 AM

REPRESENTATIVE VANCE stated that eLogbooks will provide real-time [within one week] data; however, there exists a five-year backlog. She asked how the data collected would be used by the department in-season. She clarified her line of questioning by adding that freshwater data would not be collected, and no cost savings would be realized with the transition to electronic data gathering; therefore, she asked what the value of the data would be to the department.

10:52:06 AM

MR. TAUBE stated that the data obtained electronically was "cleaner" than that obtained by paper logs and not subject to inconsistencies in handwriting or formatting errors. He allowed that errors may still occur in electronically submitted data and review for such errors is a contributing factor for the data not to be used for in-season management decisions. He stated that the reason that the freshwater data collection is not included in the proposed legislation is due to lack of industry support. He stated that freshwater data would be useful, and may be pursued in the future, and the requirement of saltwater data obtained through the eLogbooks would be used to also establish a sound set of program practices that could then be used should freshwater data become required.

REPRESENTATIVE VANCE asked for the current cost for freshwater guide and operator licenses.

MR. TAUBE answered that there exists no license or operator fees for freshwater charter operators.

10:55:20 AM

CHAIR STUTES observed Mr. Taube's statement of that fact had rendered the committee members silent.

REPRESENTATIVE VANCE asked what justification existed for no requirement for fees for freshwater operators.

MR. TAUBE explained that currently no fees exist for either and that the proposed fees were mainly associated with the eLogbook program.

[10:56:19 AM](#)

REPRESENTATIVE ORTIZ suggested that there exist similar challenges among saltwater charter operators to those expressed by freshwater operators and asked whether similar complaints by saltwater operators would result in removal of requirements for those operators.

[10:57:09 AM](#)

MR. RUTZ explained that data collected through the logs is vital to upholding the terms of the Pacific Salmon Treaty which determine international [harvest] allocation decisions. He explained that data collected from the halibut fishery provides the same [vital data] under the International Pacific Halibut Commission for critical allocation decisions. He added that the data is also vital to the North Pacific Fishery Management Council for management of federal fisheries. He explained that without data collection programs such as the creel surveys and logbooks, Alaska would eventually lose its exemption from NOAA's saltwater registry [requirement]. He said that it would be likely that, should that exemption be lost, there could be a federal licensure cost imposed in the immediate year following for saltwater charter operators.

MR. RUTZ spoke to concerns raised by Representative Vance regarding five-year backlog of data, adding to the discussion that, while the data is not specifically published in formal reports, it is made available to any interested party including the legislature on a yearly basis.

[10:59:34 AM](#)

REPRESENTATIVE MCCABE referred to page 4, lines 15 -16 of HB 79 which stated that he department "may collect information from sportfishing guides". He asked whether the word "saltwater" is missing.

MS. HANKE acknowledged that adding the word "saltwater" would be appropriate.

[11:00:21 AM](#)

MR. TAUBE suggested that keeping the word "saltwater" excluded from the cited portion of the legislation would permit future data collection from freshwater operators and recommended that it not be included.

[11:00:50 AM](#)

CHAIR STUTES asked the department to affirm that data is being collected from freshwater operators and that there was no fee for those operators.

MR. TUABE affirmed that there are no fees, and that information is collected on [voluntary] participation from registered guides. He added that no data collection is sought for where they are operating, the number of clients they take [on trips], and the number of fish harvested.

[11:01:41 AM](#)

REPRESENTATIVE TARR commented that the discussion had highlighted a systemic funding problem that coexists with data collections based on minimum requirements and covering immediate costs. She suggested a comprehensive approach would be warranted to take into consideration meeting all the needs that data collection would fulfil. She added that a potential cause of the piecemeal approach was due to the program ending [sunset].

[11:03:09 AM](#)

CHAIR STUTES added that her perception was that the revenue generating mechanism appeared to be inequitable [among saltwater and freshwater operators].

[11:03:20 AM](#)

CHAIR STUTES opened public testimony on HB 79.

[11:03:46 AM](#)

BEN MOHR, Executive Director, Kenai River Sportfishing Association, testified in support of HB 79. He echoed the fact that the data reporting requirements meet the requirements of the aforementioned treaties and provide information needed for sustainable and science-based management and are not optional. He added that hunters and sport fishers have long supported the user-based fee models for fish and game conservation as the

beneficiaries of the management decisions based on the data collected.

11:05:38 AM

REPRESENTATIVE KREISS-TOMKINS asked Mr. Mohr to share his perspective on freshwater data collection requirements.

MR. MOHR stated KRSA's endorsement of excluding freshwater operators from the fee requirement. He suggested that, when the freshwater component had been in place, there was no benefit to the operators and no harm from not complying, and the result was simply a punitive law enforcement tool.

REPRESENTATIVE KREISS-TOMKINS asked whether, should data collection ever become closer to immediate, the KRSA's endorsement would evolve to support the including of freshwater data.

MR. MOHR stated that a closer look at that future time might be warranted, and he expressed his shared concern with that of Representative Kreiss-Thompkins that efficiencies realized by a transition to electronic data management and reporting should accordingly result in a cost savings.

11:08:17 AM

FORREST BRADEN, Executive Director, Southeast Alaska Guides Organization, testified in support of HB 79. He gave a brief overview of the Southeast Alaska Guides Association and said that accurate and timely data [reporting] is important to the management of the fishery and meeting the obligations of treaties. He added that the proposed doubling of fees had not resonated well with all operators, and he had been made aware of a suggestion made that anglers should pay directly for the fees. He added that there exists a trust with the department that costs are assessed accurately to program costs in the best interest of the industry.

11:10:18 AM

REPRESENTATIVE KREISS-TOMKINS asked Mr. Braden to expand on the concept of anglers paying directly for the program costs.

MR. BRADEN qualified his answer by saying he was not familiar with the department's accounts; however, he stated his assumption that some of the program costs had been covered

through license sales and that a similar model could be adopted for the cost of data collection to be covered by the anglers, who are the consumers.

11:12:08 AM

MARQUIS BASS, Alaskan Adventures Unlimited, testified in opposition to HB 79 and expressed his dissatisfaction with operators being required to cover departmental budget shortfalls or to generate revenue, and with the added enforcement burden on the Alaska State Troopers with no perceived benefit to resource management. He questioned whether the logbooks increased compliance with the International Pacific Halibut [Commission]. He urged that the bill not be approved.

11:14:00 AM

HUNTER KEOGH, Keough's Guide Service, testified in opposition to HB 79. He expressed his disagreement with the state charging more to do business in the absence of a breakdown of where the funds are going. He suggested that the department offer cost-savings alternatives and expressed his dismay that the implementation of an electronic system would not result in cost savings. He stated that [boat] launches in Anchor Point and Deep Creek are [subject to] the parks registration fee. He referenced page 2, line 9 of the proposed legislation and argued that lodges would be required to pay the fee.

11:16:09 AM

RAY DEBARDELABEN testified in opposition of HB 79. He stated that he is a charter operator on the Kenai River, Kasilof River, and in Anchor Point, Deep Creek, and Homer. He stated that the 2020 fishing season was "a total bust" and he chartered only 44 trips when, ordinarily, he would charter 80-90 trips per year. He explained that he spends 30-40 minutes each day entering data into the logs including license numbers, full names, and signatures and that each instance of missing or incorrect data would result in a separate violation of law. He referenced page 5, lines 13-20 that depict the violation section of the proposed legislation. He conceded that the information contained in the logbooks was of value; however, no in-season management decisions make use of the data.

11:19:14 AM

MELVIN GROVES, Owner, Alaskan Adventures Unlimited, testified in opposition to HB 79. He stated his understanding that if the state did not have an agreement with NOAA, then operators would be required to obtain a permit costing \$30 and collect data to submit to NOAA, and charter customers would not be required to obtain a state fishing license. He stated that the state is making millions of dollars on license fees, which operators ensure customers have obtained [prior to participating in the fishery]. He suggested that department budget shortfalls should be covered by an increase in the angler license fee and not by increased fees to operators. He added that data collection occurs through creel surveys and sportfish harvest surveys, although he questioned the integrity of the data collected.

[11:22:31 AM](#)

REPRESENTATIVE ORTIZ asked Mr. Groves to elaborate on his previous statement that fishers would no longer be required to purchase licenses.

[11:23:05 AM](#)

MR. GROVES offered to clarify that the state has an agreement with NOAA to collect data in exchange for an exemption to [anglers] participating in a national registry. He stated that, if the state did not have a fishing license requirement, then only private [resident] fishers would be required to obtain a license to fish. He suggested that charter operators could register at the federal level and that operators collect the data instead of the state.

[11:26:18 AM](#)

PATRICK BOOKEY, Owner/Operator, Luck of the Irish Charters, testified in opposition of HB 79. He stated that his business had been reduced by 55 percent during the COVID-19 pandemic and suggested that it was unthinkable to charge charter operators higher fees. He stated that the charter fishing industry brings millions of dollars in annual revenue to the state and that the proposed legislation was unfair, and he urged that it not be passed.

[11:28:29 AM](#)

REPRESENTATIVE KREISS-TOMKINS requested that the department provide details on the treaties previously discussed and how the data from the logbooks is used to satisfy the requirements.

[11:28:56 AM](#)

KRIS EICHENLAUB testified in opposition to HB 79 and stated that he is in opposition to any proposed legislation that would increase costs paid by any Alaska citizen. He advised the committee and all legislators to focus on the Alaska Permanent Fund Dividend.

[11:30:44 AM](#)

RONI CARMON testified during the hearing on HB 79. He suggested that the state is not collecting adequate fees when compared to the value of the fisheries resources and suggested that there exist unenforceable regulations and the permits should be significantly more expensive to the benefit of the state.

[11:32:33 AM](#)

CHAIR STUTES, after ascertaining there was no one else who wished to testify, closed public testimony on HB 79.

[11:32:53 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked, should this legislation not pass, what the consequences would be for failure of the data collection regarding compliance with international treaties.

[11:33:33 AM](#)

MR. RUTZ expressed reluctance to broach the topic of budget but expressed that the loss of revenue of nonresident license fees due to COVID-19 had resulted in a loss of \$9 million, or one-fifth of the budget including cuts to 128 programs, including cuts to the kreel and weir programs.

REPRESENTATIVE KREISS-TOMKINS redirected back to his question on data and treaty obligations.

MR. RUTZ stated that the treaty obligations must be satisfied and that additional program cuts would be required unless revenue increases.

REPRESENTATIVE KREISS-TOMKINS asked for another perspective from the department regarding treaty obligations.

[11:36:11 AM](#)

MR. TAUBE answered that the treaty obligations are of such high priority that the department would be compelled to continue to collect the data.

REPRESENTATIVE KREISS-TOMKINS requested that the department staff set aside budget concerns and explain what the treaty obligations are, and why the data is necessary to fulfill the treaty obligations.

MR. TAUBE stated that the treaty obligations require the state to monitor the harvest to stay within the all-gear harvest limits. He added that the treaty allocation to sport harvest is 20 percent of the salmon harvest limit, and the commercial troll fishery is allocated 80 percent. He added that, should the harvest limit be in excess of the allocations, the overage is deducted from the following year's harvest limit. He concluded by noting that the data collected from the logbooks and creel surveys are used to estimate total harvest to remain within the treaties' allocations [of harvest limits].

[11:38:44 AM](#)

CHAIR STUTES stated her belief that the bill is one of revenue generating legislation and, due to the extreme budget shortfalls, she questioned why one sector of fisheries appears to be targeted rather than a more equitable share of the cost among all harvest groups. She asked the department to provide to the committee a copy of the treaty obligations to which the state is held.

[11:39:53 AM](#)

REPRESENTATIVE MCCABE asked that, since this is a federally mandated program, then does the state receive federal funding to complete the data collection and reporting process, to which he expressed his assumption that the answer is no. He asked that, should the state not comply with the treaty obligations and in addition to reductions in future harvest allocations, would the state be subject to any fine for failure to meet those obligations.

[11:40:46 AM](#)

MR. TAUBE answered that the state has the privilege of a federal reporting waiver because of the data collected with the logbooks and, should the state not collect the data, the federal

government would; and, in the example of the halibut fishery, operators would be required to furnish the equivalent of two logbooks: one for salmon - to the state - and one for halibut - to the federal government. He added that only creel survey data would then be used for management of the fisheries.

[11:41:52 AM](#)

REPRESENTATIVE ORTIZ stated his familiarity with the creel surveys by his living in Southeast Alaska and asked if creel surveys were sufficient to collect the data needed for fisheries management.

MR. TAUBE acknowledged that creel surveys provide catch sampling data but creel surveys alone do not provide complete harvest data.

[11:43:14 AM](#)

REPRESENTATIVE KREISS-TOMKINS suggested that, should this legislation not pass, operators would be required by the federal government to provide the information contained in the logbooks.

MR. TAUBE affirmed Representative Kreiss-Thompson's suggestion that the federal government would collect the data should the state not.

REPRESENTATIVE KREISS-TOMKINS stated that the context of international treaty obligations during the discussion is important [for legislators] to consider for the passage of HB 79, and that the legislation has merit beyond the state's fisheries management.

[11:44:33 AM](#)

CHAIR STUTES asked that, should HB 79 not pass, is it the opinion of Mr. Taube that it would result in the federal government managing Alaska's fisheries.

MR. TAUBE stated that the federal government manages halibut fisheries in Alaska. He noted that anglers also complete a survey to submit to the federal government, and that the absence of the state logbook program would result in additional federal management of fisheries in Alaska.

[11:45:47 AM](#)

CHAIR STUTES announced HB 79 was held over.

HB 80-SPT FSH HATCHERY FACIL ACCT; SURCHARGE

11:46:03 AM

CHAIR STUTES announced that the final order of business would be HOUSE BILL NO. 80 "An Act establishing the sport fishing hatchery facilities account; establishing the sport fishing facility surcharge; and providing for an effective date."

11:46:17 AM

CHAIR STUTES made introductory remarks on HB 80 on behalf of the prime sponsor [House Rules by request of the governor], noting that the bill is the Alaska Department of Fish & Game (ADF&G's) top legislative priority and had been introduced during the previous legislative session and was not passed due to COVID-19. She stated that, because the bill did not pass the previous session, the sport fishing hatchery surcharge had been allowed to sunset and millions of dollars of revenue was not collected by the department. She urged quick action by the committee.

11:47:07 AM

DAVID RUTZ, Director, Division of Sport Fish, Alaska Department of Fish & Game, stated that HB 80 is a governor's bill that the Department supports, and it is one of the department's legislative priorities this session. He reviewed that in 2005 the legislature approved a bond measure to construct two sport fish hatcheries: the William Jack Hernandez Sport Fish Hatchery in Anchorage and the Ruth Burnett Sport Fish Hatchery in Fairbanks. In order to receive the bond, ADF&G crafted a repayment plan that was unprecedented. A surcharge was added to sport fishing licenses, nearly all of which went directly to repayment of the bond, less \$500 thousand, which went to Southeast Alaska annually for hatchery production, since this area was not serviced by the two bonded hatcheries. He noted that fishermen paid the surcharge without much complaint. No general fund dollars were used to pay back the bonds; sport angler dollars matched by federal [Dingle-Johnson funds] paid the bill. The combined enhancement program that the surcharge funded contributes approximately \$50 million to the economy of the state. This unique plan worked so well that the department paid this bond back five years early, in calendar year 2020. As a result, the surcharge and all associated statutes sunsetted on December 31, 2020.

MR. RUTZ relayed that upon the repayment of bond debt, there was an immediate \$500 thousand funding impact to Southeast Alaska from loss of the surcharge income, which funds the raising and releasing of over 1.4 million Chinook salmon and hundreds of thousands of coho salmon smolt at release sites targeted to benefit sport anglers in Southeast inside waters. He explained that losing this level of funding to support existing enhancement activities is detrimental to Southeast Alaska sport anglers and charter operators already highly impacted by the lack of out-of-state travelers due to COVID-19 travel restrictions.

MR. RUTZ directed attention to a fact sheet included in the committee packet, which shows that the overall sport fish enhancement program releases nearly 7.2 million fish into nearly 270 locations statewide annually, which is in addition to the 1.4 million in Southeast and provides thousands of anglers with additional fishing opportunities, as well as provides a large economic boost to Southeast businesses.

MR. RUTZ said that when the Ruth Burnett and William Jack Hernandez Sport Fish Hatcheries came online, nearly \$5 million of Dingell-Johnson funds had to be redirected in order to pay for their operations and maintenance. Any needed repairs and maintenance to date have come from existing operating budget funds and usually have been done at the expense of other division needs. He said there have been several larger, more expensive needs that were deferred during construction and have yet to be addressed. He cautioned that as the facilities age, the maintenance needs will grow, which will likely put further undue burden onto existing programs. He advised that having the ability to tap into a source of funds to cover these needs would allow the division to sustain existing enhanced production without [negative] impacts elsewhere.

[11:51:31 AM](#)

MR. RUTZ said that with these ongoing maintenance obligations and the loss of a substantial amount of revenue to support sport fish enhancement in Southeast Alaska, the department worked with groups across Alaska to propose a new plan to reinstate a reduced surcharge. The reduction to the previously collected \$9 surcharge was \$5 across the board. He explained that this left residents with a \$4 surcharge and nonresidents contributing the lion's share, over 6 times what residents contribute. The proposed surcharge is a 60 percent reduction for residents and

overall a 34 percent decrease from the original surcharge fee. He added that "this surcharge has been in place for about a decade and a half." He noted that a license fee breakdown was available in the committee packet.

MR. RUTZ stated, "The department proposes again to collect that surcharge and deposit it into a separate subaccount within the fish and game fund to be accounted for and used only for the maintenance and operations of the state's sport fish hatcheries sport fish enhancement in Southeast Alaska." He said there was, on average, \$6.4 million generated in revenue from surcharge collections on sport fish licenses. The reduction in surcharge would net the division approximately \$4 million per calendar year. The division currently allocates \$7 million to enhancement-related activity projects, with most tied to the operation and maintenance of the 2 large facilities in Fairbanks and Anchorage.

MR. RUTZ concluded his remarks by stating that the establishment of this new reduced enhancement surcharge would cover most of the existing costs allocated toward the enhancement programs. Further, it would address deferred equipment and maintenance needs and ensure contingency funds are available for unforeseen events at these facilities without having to request supplemental funds from the legislature or, worst case, shut down the facilities. He noted that this legislation, through a previous bill, had been introduced in 2019, to be heard during the Thirty-First Alaska State Legislature, but with the pandemic in full swing unfortunately was not meant to be.

11:55:50 AM

CHAIR STUTES stated that the surcharge had been in existence for some time prior to the sunset, and the department is currently requesting only a portion of the surcharge be reinstated. She postulated that if the entire surcharge were to be reinstated, then the department would collect an estimated \$2 million in additional revenue than the current proposed legislation would provide. She added that the department has well-known budget shortages, and that 82 percent of the revenue is collected from nonresident anglers. She asked the department to explain why only a portion of the surcharge is requested to be reinstated.

MR. RUTZ explained that in 2005, the department had conveyed its intention that the surcharge would be eliminated once the bonds had been fully repaid. He stated his intention on behalf of the

department that it should not appear [to the industry] to be greedy.

[11:57:51 AM](#)

CHAIR STUTES stated that things have changed since 2005 and, during the previous legislative session, the proposed legislation had been amended to include additional surcharge to be collected. She expressed her concern that HB 80 does not request sufficient revenue to cover the program.

[11:58:41 AM](#)

REPRESENTATIVE MCCABE stated his support for the hatchery program and requested that the department provide a cost breakdown by facility for deferred maintenance that had been referred to in testimony.

[11:59:50 AM](#)

MR. RUTZ directed attention to a cost breakdown included in the committee packet. He estimated that \$5 million of sportfish funds had been spent on the program, with \$3.4 million for the William Jack Hatchery and \$2 million for the Ruth Barnett Hatchery. He stated that cost overruns during the construction of the hatcheries had resulted in incomplete construction and deferred costs. He gave examples of maintenance items that included wells, disinfection units for production modules, new trucks, and completion of visitor center facilities.

[12:01:56 PM](#)

CHAIR STUTES pointed out that the committee packet contained itemized costs for projects and requested the department provide a cost estimate breakdown by facility.

MR. RUTZ agreed to provide the requested information to the committee.

[12:02:38 PM](#)

REPRESENTATIVE STORY asked for the department to provide a formula or revenue analysis depicting how the surcharge revenue proposed would be allocated according to the facility cost breakdown that the department had agreed to provide. She asked for the department to also provide a breakdown of economic development and impact to the state from the hatchery program.

12:03:16 PM

CHAIR STUTES stated her intention to offer a future committee substitute to HB 80.

CHAIR STUTES announced HB 80 was held over.

12:04:26 PM

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 12:04 p.m.